



Department of Energy
Western Area Power Administration
Upper Great Plains Region
P.O. Box 35800
Billings, MT 59107-5800

APR 09 2008

Dear Firm Power Customer and Other Interested Parties:

The Upper Great Plains Region and the Rocky Mountain Region of the Western Area Power Administration (Western) are hosting two Informal Meetings to discuss the proposed firm power rate adjustments for Pick-Sloan Missouri Basin Program-Eastern Division (P-SMBP--ED) and Loveland Area Projects (LAP) firm power customers.

April 29, 2008

10 a.m.

Radisson Hotel Denver Stapleton Plaza
3333 Quebec Street
Denver, CO
(303) 321-3500

April 30, 2008

9 a.m.

Holiday Inn
100 West 8th Street
Sioux Falls, SD
(605) 339-2000

At these meetings, we would like to share the most current information and our thoughts on the rate adjustments. With the deepening drought, our present study work indicates a need for a Firm Power rate adjustment greater than the 2 mill threshold allowed by the automatic drought adder adjustment that would be effective January 1, 2009. Our plan is to present the automatic drought adder along with an additional adjustment through a formal rate adjustment process in early summer. We would like your input on the assumptions, timing, and implementation prior to the formal process.

For your information and prior to the meetings, please check the information posted on the website listed below. The most up-to-date information concerning the rate adjustment will be posted at <http://www.wapa.gov/ugp/rates/2009firmrateadjust>.

If you have any questions prior to the meetings, please telephone Linda Cady-Hoffman at (406) 247-7439. We look forward to meeting with you in April.

Sincerely,

A handwritten signature in cursive script that reads "Robert J. Harris".

Robert J. Harris
Regional Manager